

**Business and Finance Technology Education Frameworks
2009
Economics**

Content Standard 1 – Scarce Resources			
The decision making process of the allocation of scarce resources.			
The student will be able to:	Beginning	Intermediate	Advanced
Strand 1 Assess opportunity costs and trade-offs involved in making choices about how to use scarce and economic resources.	Learner Expectation *Define and give examples of economic wants and how they are satisfied. Demonstrate how resources (factors of production) may be used to satisfy economic wants. *Define scarcity and why it requires individuals, governments and societies to make choices. *Define and give examples of the opportunity cost of personal choices.	Learner Expectation Explain the concept of marginalism as it applies to producers and consumers. Evaluate the trade-offs of alternatives for solving societal problems according to economic goals (e.g., economic growth, equity, efficiency, security, employment, stability, and freedom).	Learner Expectation Suggest what a nation or business should do if economic resources are underutilized. Recommend what a nation or business could do to stimulate economic growth. Explain the effects of leading economic indicators on a personal financial plan.

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Content Standard 2 – Economic Systems			
Basic features of different economic systems.			
The student will be able to:	Beginning	Intermediate	Advanced
Strand 1 Explain why societies develop economic systems, identify the basic features of different economic systems, and analyze the major features of the U.S. economic system.	Learner Expectations Identify why scarcity necessitates an economic system. *Describe characteristics of a market system (e.g., profit, competitive markets, and private ownership of property). *Identify questions that might be answered by an economic system (e.g., what is to be produced, how it is to be produced, and for whom it is to be produced).	Learner Expectation *Compare and contrast the different types of economic systems. Illustrate the relationship between individual households, businesses, and government. *Explain the roles of entrepreneur (e.g., innovator, risk taker) as a driving force in the U.S. economy. Analyze existing economies and how they answer the three questions every economic system must answer. *Explain how change in one component of the circular flow of economic activity affects other components.	Learner Expectation Analyze how economic systems, resources, and culture affect each other. Analyze how wages and prices are determined in command and market economies. Critique command, mixed and market economies based on the U.S. economic goals of freedom, efficiency, equity, security, employment, stability and growth. Debate the advantages and disadvantages and identify the winners and losers from different examples of government intervention in the economy.

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Content Standard 3 – Economic Institutions			
Economic institutions and incentives in the U.S. economy.			
The student will be able to:	Beginning	Intermediate	Advanced
Strand 1 Analyze the role of core economics institutions and incentives in the U.S. economy.	Learner Expectation Describe the role of profit in our economy and the relationship of profit to risk and uncertainty. Identify and analyze why private ownership, making individual choices, and limited government involvement are important concepts in all areas of the U.S. market economy.	Learner Expectation *Describe different kinds of economic institutions in the U.S. economy (e.g., households, businesses, financial institutions, government agencies, labor unions, and nonprofit organizations). Explain the purpose of incentives and disincentives in the U.S. economy and give examples of each. *Identify the roles of profit and competition in a market-oriented economy.	Learner Expectation Provide illustrations of how the market system requires a give-and-take between institutions and individuals. Analyze ways in which a society's allocation of resources will be affected by its laws, public policy, and taxation. Identify how certain historical events have influenced the banking system and other financial institutions. Identify the major functions of the public sector in a market economy.

Content Standard 4 – Markets and Prices

U.S. and global markets and prices.

The student will be able to:	Beginning	Intermediate	Advanced
Strand Analyze the role of markets and prices in the U.S. and global economy.	Learner Expectation Describe how relative price is used to allocate scarce resources. *Describe and give examples of markets for goods and services in the U.S. and global economy. *Describe how relative prices affect the buying and selling decisions of consumers and producers.	Learner Expectation Explain how relative prices are used to ration limited resources, goods, and services in the U.S. and global economy. *Explain the law of demand, law of supply, and equilibrium price. Explain the process by which competition of buyers against buyers and sellers against sellers determines equilibrium price. Explain and illustrate how a market reacts to shortages and surpluses with or without government intervention. *Describe the concept of elasticity and inelasticity. Identify the effect of changes in the relative price of a substitute or complementary good on supply and demand.	Learner Expectation Calculate the elasticity coefficient for price changes of various goods and services.

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Content Standard 5 –Market Structures			
Market structures in the U.S. economy.			
The student will be able to:	Beginning	Intermediate	Advanced
Strand 1 Analyze the different types of market structures and the effect they have on the price and the quality of the goods and services produced.	Learner Expectation *Describe the characteristics of various market structures within an economy (e.g., pure competition, monopoly). *Discuss how the competition of buyers and sellers determines relative prices for products in markets as well as profits for sellers. Describe how competition in a purely competitive market encourages the production of higher quality goods and services. Determine the role of government in preventing private monopolies and regulation public monopolies.	Learner Expectation Describe how collusion affects market competition. Discuss the major barriers to new firms entering a market and how the barriers affect the level of competition in an industry. *Examine U.S. Laws and government regulations that are designed to impact competition.	Learner Expectation Compare and contrast the different types of market structures.

Content Standard 6 – U.S. Government

The role of the U.S. government in an economic system.

The student will be able to:	Beginning	Intermediate	Advanced
<p>Strand 1</p> <p>Analyze the role of government in economic systems, especially the role of government in the U.S. economy.</p>	<p>Learner Expectation</p> <p>Provide examples of how individuals pay for public goods and services through taxes and fees.</p> <p>Define money and where it comes from.</p> <p>*Discuss why and how money is used in an economy.</p> <p>Differentiate between earned and unearned income.</p>	<p>Learner Expectations</p> <p>*Explain the role of government taxation and regulation and its impact on business, society, and the individual in an economy.</p> <p>*Different between local, state, and federal tax receipts and expenditures.</p> <p>Evaluate the equity of taxes based on income, wealth, and consumption.</p> <p>Explain how government's redistribution of income through taxation, spending, and assistance/entitlement program affects the well being of people and businesses in an economy.</p> <p>*Identify monetary and fiscal policies used by the Federal Reserve System to regulate the economy.</p>	<p>Learner Expectation</p> <p>Analyze how taxes serve as an incentive or disincentive to individuals and institutions.</p> <p>Describe why the Federal Reserve System and the federal government have limited ability to control the total amount of money in the U.S. economy.</p> <p>Describe the limitations of tax policy in regulating the U.S. economy.</p> <p>Critique the ability of fiscal and monetary policies to influence the level of economic activity in the United States and abroad.</p> <p>Identify and evaluate how stabilizers (e.g. unemployment compensation, welfare benefits, Social Security, subsidies, and tax rates) affect economies in transactions.</p> <p>Analyze the long-term effect of deficit spending on the economy.</p>